

The dates at which the further payments on account of the said loan will be required are as follows: On Monday, the 20th February, 1899, so much of the amount tendered for each hundred pounds of stock as, when added to the deposit, will leave £50 sterling to be paid; on Tuesday, the 25th April, 1899, £25 per cent.; on Friday, 23rd June, 1899, £25 per cent.

The instalments may be paid in full on or after the 20th February, 1899, under discount at the rate of £2 per cent. per annum. In case of default in the payment of any instalment at its proper date, the deposit and instalments previously paid will be liable to forfeiture.

Scrip certificates to bearer, with coupon attached for six months' dividend, payable 1st April, 1899, will be issued in exchange for the provisional receipts.

The stock will be inscribed in the bank books on and after the 23rd June, 1899, but scrip paid up in full in anticipation may be forthwith inscribed.

Applications must be upon the printed forms, which may be obtained at the Chief Cashier's Office, Bank of England; of Messrs. Mullens, Marshall, and Co., 4, Lombard Street, London, E.C.; of Messrs. J. and A. Scrimgeour, 18, Old Broad Street, London, E.C.; and at the office of the Agent-General for New Zealand, 13, Victoria Street, London, S.W.

Bank of England, 3rd February, 1899.

NOTE.—A memorandum giving information as to the position of the colony has been prepared by the Agent-General, and should accompany this prospectus.

NEW ZEALAND GOVERNMENT LOAN OF £1,000,000.

THE proceeds of this loan will be applied towards providing funds for the following purposes: First, as regards £500,000, for the construction of railways, roads, and bridges, and for other public works required for the development of land settlement and goldfields, and for providing additional rolling stock to meet the requirements of the largely increasing traffic; and, second, as regards £500,000, for advances to *bond fide* settlers in New Zealand on the security of landed property.

The system of advances to settlers has been in operation for nearly four years, and in the latest report it is stated that no losses have been incurred, the punctuality in which repayments thereunder are made being most satisfactory.

The amount to be applied in aid of public works supplements that which has been provided for years past out of the surplus ordinary revenue, which has supplied within the last seven years no less than £1,650,000 for that purpose.

Since the issue in 1895 of £1,500,000 3-per-cent. Consolidated Stock, £3,026,599 has been added to the amount which was then inscribed, being stock into which debentures bearing higher rates of interest have been converted. £208,872 of these debentures were part of the public debt already domiciled in London, and the balance were debentures issued from time to time under the authority of Acts of the Legislature of New Zealand, over two millions of which were moneys invested on behalf of the Post Office, and other Public Trust Funds of the colony.

No addition has been made since 1896 to the amount of the 3½-per-cent. and 4-per-cent. New Zealand stocks.

The revenue has exceeded the expenditure during the following years by the amounts named below: In 1891–92, the surplus was £151,608; 1892–93, £318,206; 1893–94, £256,459; 1894–95, £139,794; 1895–96, £185,534; 1896–97, £288,728; 1897–98, £466,858.

It should be noted that the above amounts represent the net surplus of each year, and do not include the surplus brought over from the preceding year.

Out of this surplus revenue, the sum of £1,650,000, as mentioned in preceding paragraph, has been transferred to the Public Works Fund, and used for the purpose of opening up and improving the public estate.

The conversion of the public debt into stock bearing a lower rate of interest than that charged on the original debt has been proceeded with, and the result has been most advantageous to the colony, considerably reducing, as it has, the amount of interest payable thereon.

The total gross amount on the 31st March last of the public debt, including that domiciled in London, and also that issued in the colony, was £44,963,424.

Included in that amount is £800,000 4-per-cent. debentures guaranteed by the Imperial Government and deposited in London, part being held on behalf of the Post Office of the colony, and part held for the purpose of meeting any possible unexpected financial contingency. New Zealand has always stood in an exceptionally strong financial position by the fact that these debentures are thus held.

It should also be remembered that over £16,000,000 of the New Zealand public debt is represented by the Government railways of the country, which earn over 3 per cent. per annum on their cost, a fact which is often lost sight of when comparing the colony's public debt with those of the United Kingdom and other countries. The capital represented by the railways of the United Kingdom now exceeds £1,000,000,000 of money: add that amount to the national debt of this country, and the comparison between it and the New Zealand debt can then be made on more equal grounds.

It is only necessary, in order to produce satisfactory evidence of the progress of the colony, to call attention to the statistics given on the following page.

W. P. REEVES,

Agent-General for New Zealand.

13, Victoria Street, London, S.W., 3rd February, 1899.